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Financial Services

Regulatory Reporting Solution for European Banking Authority – Lombard Risk Integration Pack

Release 8.0.6.0.1

Release Notes
July 2018

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Document Versioning

Version	Date	Change Reference
02	July 16, 2018	Updated: Final version published
01	July 06, 2018	Created: Draft published

Table of Contents

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Preface

This Preface provides supporting information for the Oracle Financial Services Regulatory Reporting for European Banking Authority (EBA) – Lombard Risk Integration Pack Release Notes and includes the following topics:

- [Overview of OFSAA](#)
- [Purpose of This Document](#)
- [Intended Audience](#)
- [Documentation Accessibility](#)
- [Related Documents](#)

Overview of OFSAA

In today's turbulent markets, financial institutions require a better understanding of their risk-return, while strengthening competitive advantage and enhancing long-term customer value. Oracle Financial Services Analytical Applications (OFSAA) enable financial institutions to measure and meet risk adjusted performance objectives, cultivate a risk management culture through transparency, lower the costs of compliance and regulation, and improve insight into customer behavior.

OFSAA uses industry-leading analytical methods, shared data model and applications architecture to enable integrated risk management, performance management, customer insight, and compliance management. OFSAA actively incorporates risk into decision making, enables to achieve a consistent view of performance, promote a transparent risk management culture, and provide pervasive intelligence.

Oracle Financial Services Analytical Applications delivers a comprehensive, integrated suite of financial services analytical applications for both banking and insurance domain.

Purpose of this Document

This document contains release information for Oracle Financial Services Regulatory Reporting for European Banking Authority – Lombard Risk Integration Pack (OFS REG REP EBA).

Intended Audience

This document is intended for users of Oracle Financial Services Regulatory Reporting for European Banking Authority – Lombard Risk Integration Pack.

Documentation Accessibility

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http://www.oracle.com/pls/topic/lookup?ctx=acc&id=trs if you are hearing impaired.

Related Documents

This section identifies additional documents related to OFS REG REP EBA Application 8.0.6.0.1. You can access Oracle documentation online from the Documentation Library (OHC).

- *Oracle Financial Services Regulatory Reporting for European Banking Authority (EBA) – Lombard Risk Integration Pack Installation Guide Release 8.0.6.0.0*

- *Oracle Financial Services Regulatory Reporting for European Banking Authority (EBA) – Lombard Risk Integration Pack User Guide Release 8.0.6.0.0*

- *Oracle Financial Services Analytical Applications Technology Matrix*

Introduction to Oracle Financial Services Regulatory Reporting for European Banking Authority – Lombard Risk Integration Pack

With the onset of regulatory requirements from a variety of regulators around the globe, financial institutions are struggling to keep up with the constantly changing regulatory environment and the regulators themselves are finding it difficult to analyze a pile of reports. To facilitate easy comparison of the data, the European Banking Authority (EBA) introduced a common standard of reporting: one for Financial Reporting (FINREP) and one for Common Reporting (COREP). The two standards use a very structured way of gathering data, and also introduced the Data Point Model (DPM) along with the relational database to provide standard meaning to all reporting elements. Though EBA did an excellent job in standardizing all the dimensions, metrics and the data elements, the disparate source systems at the banks make it very difficult for the banks to collate the required and correct data. The ability to present the data in the "DPM" structure that is very specific to the EBA reporting raises an additional challenge.

On the lines of common reporting requirements as stipulated by the EBA, the European Central Bank (ECB) also came out to collect detailed credit risk data pertaining to Non-Natural Persons in a harmonized manner.

ECB issued a regulation on May 18, 2016, widely known as AnaCredit (Analytical Credit Dataset) Regulation, to collect granular credit and credit risk data with effect from reporting date September 30, 2018.

While on one hand, ECB ensures to harmonize reporting requirements and implementation practices, on the other hand, it gives discretionary powers to the National Central Banks (NCBs) either to collect additional data or to provide derogations for small resident reporting agents.

A financial institution provides all the data, as required by the respective NCB and by ECB to the respective NCB and the respective NCB then provides the data to the ECB.

The RRS EBA solution addresses the reporting requirements of both the regulators, EBA and ECB.

In addition, it addresses the reporting requirements with respect to AnaCredit as laid down by the Central Bank of Malta (CBM).

Through Oracle Financial Services Regulatory Reporting for European Banking Authority (OFS AGILE RP EBA), Oracle Financial Services has created a first-to-market solution that addresses these important requirements and helps financial services organizations find a much-welcome silver lining in today's prescriptive regulatory climate.

OFSAA Regulatory Reporting features the OFSAA Data Foundation and a reporting portal that integrates OFS Agile Reporter Portal for final-mile automation. The solution ensures data integrity and frees firms to focus more time on analyzing and gaining new business insight from their growing stores of data instead of simply preparing data and reports with the sole objective of meeting submission deadlines.

Additionally, multi-jurisdiction institutions, using these integrated tools, are now able to establish a global regulatory report production platform integrated with a single source of truth and full data lineage no matter where they are situated or how many jurisdictions they operate in. The OFSAA Data Foundation has all the detailed granular data which are used to aggregate and populate the Agile Reporter Portal report templates. This enables seamless drill down and lineage from individual template cells to the source systems where the granular data was sourced from. The rules used to derive the aggregated and calculated data are also clearly visible.

Patch **28146274** - Oracle Financial Services Regulatory Reporting for European Banking Authority – Lombard Risk Integration Pack v8.0.6.0.0 One-off Patch Release #1 (8.0.6.0.1) for all the regulatory enhancements done since v8.0.6.0.0 release.

This chapter includes the following topics:

- ♦ New Features
- ♦ Prerequisites
- ♦ How to Apply this One-off Patch Release?
- ♦ Post Installation Steps
- ♦ Deploying Lombard AgileREPORTER Package Configuration
- ♦ Known Issues

New Features

The list of new features incorporated in this release are:

1. Provides an integrated OFSAA DW/DT package for EBA regulatory reporting using AgileREPORTER Portal v**1.15.10-b18** and European Common Reporting (ECR) Templates **AR_ECR_Package_v1_28_0_7**.

2. Provides an integrated OFSAA DW/DT package for EBA regulatory reporting using AgileREPORTER Portal v**1.15.10-b18** and European Central Bank (ECB) Templates **ANACREDIT_v1.3.1.2**.

For detailed information on usage of the existing features, see *Oracle Financial Services Regulatory Reporting for European Banking Authority (EBA) – Lombard Risk Integration Pack User Guide Release 8.0.6.0.0* from OHC Documentation Library*.

For more information on the OFS AAI requirements, see *OFS Advanced Analytical Applications Infrastructure Application Pack 8.0.6.0.1 Readme* in OHC Documentation Library.

Prerequisites

The prerequisite software that must be installed for this release are:

1. Oracle Financial Services Analytical Applications Infrastructure (OFSAAI) 8.0.6.0.0 (patch **23036940**) plus other prerequisite OFSAAI patches (see **Section 1.1 Pre-Installation Requirements** of *OFS AAI Installation Guide*) should be installed and configured in your Machine (OHC Documentation Library).

2. Oracle Financial Services Data Foundation (OFSDF) 8.0.6.0.0 (patch **27569871**) plus other prerequisite OFSDF patches (see **Section 3.1 Installer and Installation Prerequisites** of *OFSDF Installation Guide*) should be installed and configured in your Machine (OHC Documentation Library).

3. AgileREPORTER version **1.15.10-b18**

4. AgileREPORTER European Common Reporting (ECR) Templates **AR_ECR_Package_v1_28_0_7**

5. AgileREPORTER European Central Bank (ECB) Templates **ANACREDIT_v1.3.1.2**

6. EBA 8.0.6.0.1 requires additional attributes in the data model. Extend FSDF 8.0.6.0.0 data model with the following attribute. Ensure that the model upload is performed.

COLUMN_ CHANGE_ TYPE	PHYSICAL_ TABLE_NAME	COLUMN_ NAME	LOGICAL_ NAME	DATA_TYPE	DOMAIN	NULL_ ALLOWED	PK	FK	REFERENCE TABLE NAME	REFERENCE COLUMN NAME
Add	Fsi_Setup_Le_Reporting _Agt_Map	v_ra_party_id	Reporting Agent Party identifier	VARCHAR2(50)	Code_ Alphanumeric _Long_Type3	Yes	No	No		
Add	Fsi_Setup_Le_Reporting _Agt_Map	v_oa_party_id	Observed Agent Party Identifier	VARCHAR2(50)	Code_ Alphanumeric _Long_Type3	Yes	No	No		
Add	Fct_Reg_Le_Reporting _Agt_Map	n_ra_party_skey	Reporting Agent Party Surrogate Key	NUMBER(10)	SurrogateKey _Long	Yes	No	Non-Indentifying	Dim_Party	n_party_skey
Add	Fct_Reg_Le_Reporting _Agt_Map	n_oa_party_skey	Observed Agent Party Surrogate Key	NUMBER(10)	SurrogateKey _Long	Yes	No	Non-Indentifying	Dim_Party	n_party_skey

7. Ensure that you have executed **.profile** before you trigger the installation.

8. Ensure that the FIC Server is up and running before you trigger the installation. For information on restarting the services, Refer *Oracle Financial Services Analytical Applications Infrastructure Release 8.0.6.0.0 Installation and Configuration Guide* ([OHC](OHC) Documentation Library) for more information.

How to Apply this One-off Patch Release?

Perform the following instructions to download, extract and install this one-off patch:

1. Download the **28146274_GENERIC.zip** archive file from https://support.oracle.com/ by searching patch **28146274** under the Patches & Updates tab.
2. Copy the archive file to your OFSAA server in Binary mode.
3. Shut down all the OFSAAI Services. For more information, see the Start/Stop Infrastructure Services section in *Oracle Financial Services Advanced Analytical Applications Infrastructure Pack Installation Guide – Release 8.0.5.0.0*.

    NOTE: Ensure that the FICSERVER is up and running.

4. Download the **28146274_GENERIC.zip** archive file from https://support.oracle.com/ by searching patch **28146274** under the Patches & Updates tab.
5. Copy the archive file to your OFSAA server in Binary mode.
6. Shut down all the OFSAAI Services. For more information, see the Start/Stop Infrastructure Services section in *Oracle Financial Services Advanced Analytical Applications Infrastructure Pack Installation Guide – Release 8.0.5.0.0*.

    NOTE: Ensure that the FICSERVER is up and running.

7. Execute unzip -a <name of the file to be unzipped>
   For example: **unzip -a 28146274_GENERIC.zip**

    NOTE: The above **"-a"** option is mandatory to unzip the patch.
    If you notice an error message "unzip: not found [No such file or directory]", contact your UNIX administrator to resolve this issue.

8. Execute **chmod -R 755 OFS_REG_REP_EBA**
9. Navigate to **<>/OFS_REG_REP_EBA/conf** directory.
10. Configure **UPLOAD_MODEL** parameter in the **params.conf** file to determine if Model Upload is required or not:
    0 = If you have already performed Model Upload and want to skip Model Upload process
    1 = If you want to perform Model Upload
11. Navigate to **<>/OFS_REG_REP_EBA/bin** directory and execute **./install.sh**
12. The installation progress can be viewed by periodically refreshing the log file under the **<>/OFS_REG_REP_EBA/logs** directory.

    NOTE: This patch installation has taken approximately 10 minutes to complete in Oracle Test Labs.

Post-installation Steps

The post-installation steps required for this release are:

1. Refer to the log file in the `/OFS_REG_REP_EBA/logs` directory to ensure that there are no errors reported. Contact My Oracle Support in case of any issues.

2. Generate the application EAR / WAR file and redeploy the application on the configured Web Application Server. For more information on generating and deploying EAR / WAR file, refer to the Post Installation Configuration section in *Oracle Financial Services Advanced Analytical Applications Infrastructure Pack Installation Guide – Release 8.0.5.0.0*.

3. Restart all the OFSAA services. For more information, see the Start/Stop Infrastructure Services section in *Oracle Financial Services Advanced Analytical Applications Infrastructure Pack Installation Guide – Release 8.0.5.0.0*.

The Oracle Financial Services Regulatory Reporting for European Banking Authority – Lombard Risk Integration Pack is now ready for use.

Deploying Config Package

This section describes the steps to deploy the config package after saving the derived entities:

1. To deploy the product configuration on Lombard AgileREPORTER using the package **OFSAA_REG_REP_EBA_80600.zip** bundled inside the **Config_Package** folder of installer:

   a. Navigate to `<LombardAgileREPORTER>/bin` under the installed location

   b. Add a new configuration with the following command:

      `./config.sh -a <Config_Package_1 Full Path>`

      For example:

      `./config.sh –a /scratch/kit/806/OFS_REG_REP_EBA/Config_Package/`
      `OFSAA_REG_REP_EBA_80600.zip`

   c. Activate the configuration with the following command:

      `./config.sh -t OFSAA_REG_REP_EBA_80600 -iv 8.0.6.0.0`

   d. Update the Alias with the following command:

      `./config.sh -ea OFSAA_REG_REP_EBA_80600 -iv 8.0.6.0.0 -alias "OFSAA`
      `EBA DATA SOURCE" -aif <LombardAgileREPORTER>/bin/aliasinfo.properties`

2. To deploy the product configuration on Lombard AgileREPORTER using the package **OFSAA_REG_REP_ECB_80600.zip** bundled inside the **Ana_Config_Package** folder of installer:

   a. Navigate to <LombardAgileREPORTER>/bin under the installed location

   b. Add a new configuration with the following command:

      `./config.sh -a <Config_Package_2 Full Path>`

      For example:

      `./config.sh –a /scratch/kit/806/OFS_REG_REP_EBA/Ana_Config_Package/`
      `OFSAA_REG_REP_ECB_80600.zip`

c. Activate the configuration with the following command:

```
./config.sh -t OFSAA_REG_REP_ECB_80600 -iv 8.0.6.0.0
```

d. Update the Alias with the following command:

```
./config.sh -ea OFSAA_REG_REP_ECB_80600 -iv 8.0.6.0.0 -alias "OFSAA
EBA DATA SOURCE" -aif <LombardAgileREPORTER>/bin/aliasinfo.properties
```

NOTE: As ECB and EBA are pointing towards the same database host, alias update will have same data source as **OFSAA EBA DATA SOURCE** in the **manifest.xml** file.

If you encounter any problems during deployment, contact OFSAA Support at My Oracle Support.

Bugs Fixed in This Release

The fixed, enhanced, or modified bugs as part of OFS REG REP EBA Release 8.0.6.0.1 are as follows.

Bug Number	Report / Schedule	Bug Description	Change Comments
27705187	AnaCredit	ANACREDIT - AMORTIZATION TYPE CUSTOM RECLASS	DIM_AMORTIZATION_TYPE table dependent on the cash flow engine, is seeded as per the cash flow engine list of values.
28099984	AnaCredit	N_REG_PARTY_ROLE_RANKING_ SKEY COLUMN NOT UPDATED IN FCT_REG_PARTY_DETAILS	N_REG_PARTY_ROLE_RANKING_SKEY column is updated in the FCT_REG_PARTY_DETAILS table.

Known Issues / Limitations

The known issues or limitations in this release are as follows:

1. Capturing details of Reference Rate

   AnaCredit expects reference rate information at account level. Reference Rate is used for the calculation of the actual interest rate and is typically applicable when the interest rate type is not FIXED. The reference rate is expected as download in STG_IRCS. The rate is expected as Interest rate curve concatenated with currency concatenated with term. For instance, if the interest rate curve is LIBOR and the associated currency and tenor is GBP and 1M respectively, then the name should be provided as LIBOR – EUR – 1M in STG_IRCS.

2. Accounting Standard of the Counterparty

   Accounting Standard of the Counterparty needs to be reported in the Counterparty Reference dataset. At present, accounting standard of the reporting agent is getting reported instead of that of counterparty. This will be fixed in the next release.

3. Default status of the Counterparty

AnaCredit requires reporting/ observed agents to report default status of the counterparty and the instrument. AnaCredit further provides that the default status of the instrument is reported unless the observed agent is not subject to capital requirements (that is, it is a credit institution under Article 4(1)(1) of the CRR which is exempted from capital requirements under Article 2 of the CRD IV) and is granted a derogation by the relevant NCB. In cases of such derogations, the value "Not required" is reported.

In addition, in relation to instruments where the reporting agent applies the definition of default in accordance with Article 178 of the CRR at the counterparty level rather than at the level of an individual instrument, the default status of the instrument is reported as "Non-applicable".

It is assumed that the reporting / observed agent is subject to capital requirement as per the provisions of the CRR.

4. Setting up FSI_SETUP_LE_REPORTING_AGT_MAP

DIM_ORG_STRUCTURE: This Dimension Entity stores the Organization Structure of the Financial Institution. As the name suggests, it captures the organization structure of the legal entity but does not capture details of such institutional units, which are not separate legal entities. It captures all the legal entities within the group. On the other hand, FSI_SETUP_LE_REPORTING_AGT_MAP captures the details of reporting agent and observed agent. This is different from the DIM_ORG_STRUCTURE because branch located outside the country of the parent-entity's country of incorporation does not get captured in the DIM_ORG_STRUCTURE but is captured in FSI_SETUP_LE_REPORTING_AGT_MAP. In addition, this setup table stores the central bank (National Central Bank) wise reporting agent and observed agent mapping for each legal entity.

AnaCredit defines Reporting Agent and Observed Agent as under:

'Reporting Agent' means either a legal entity or a foreign branch that is resident in a reporting Member State and that is subject to the ECB's reporting requirements pursuant to this Regulation;

'Observed Agent' means an institutional unit whose activity as creditor or servicer is reported by the reporting agent. The observed agent is either:

a. the institutional unit resident in the same country as the reporting agent of which it forms part; or
b. a reporting agent's foreign branch, resident in a reporting Member State; or
c. a reporting agent's foreign branch, non-resident in a reporting Member State.

It also captures the country of residence of the reporting agent and the central bank associated with that country. This table must be populated as part of the set up activity.

After set-up, the details captured in this table are extensively used in AnaCredit reporting. It is expected that the party ID details of the reporting agent/ observed agent matches with Party ID mentioned in Stg_Party_Master.

5. F_EMBEDDED_OPTIONS_FLAG and V_EMBEDDED_OPTION_TYPE_IND columns used in F10 and F11 reports are not present in STG_SWAPS, STG_CREDIT_DERIVATIVES, STG_OPTIONS, STG_FORWARDS, STG_FUTURES, and STG_FX_CONTRACTS tables. Hence, the bank must populate the data directly into the FCT_COMMON_ACCOUNT_SUMMARY table.

6. The Row 999 and Column 95 (sector of investee) in F40.1 report requires a set of regulatory party types which are predefined by LOMBARD. Currently, only the standard party types are used due to unavailability of required codes. This will be fixed in the next release.

7. D_PAST_DUE_DATE column is not present in STG_MM_CONTRACTS table which is used in F07 and F18 reports. Hence, the bank must populate the data directly into the FCT_COMMON_ACCOUNT_SUMMARY table.

8. Non-trading FVTPL requires to be captured with FCT_ASSETS_SOLD.V_HOLDING_TYPE_CD and FCT_ASSETS_SOLD.N_TRADING_IND = '<>T' in F15 report. It is handled with the help of custom seeded data for Non-trading FVTPL. Currently, N_TRADING_BOOK_IND in STG_ASSETS_SOLD table is unavailable and will be fixed in the next release.

9. The flow for N_REG_VALUATION_METHOD_SKEY in FCT_REG_FIXED_ASSETS table must be populated by the bank manually as there is no flow defined. The introduction of N_VALUATION_METHOD_SKEY in FCT_FIXED_ASSETS table and V_VALUATION_METHOD_CODE in STG_FIXED_ASSETS_DETAILS and STG_FIXED_ASSETS_MASTER tables will be taken up in a later release.

10. V_MICRO_MACRO_IND column in FCT_REG_HEDGE_SUMMARY table indicates if the given hedge is a micro or macro hedge. As the bank decides if the given hedge is a micro or macro hedge, it is expected that the bank must populate this column directly.

11. F_ECONOMIC_HEDGE_FLAG column in FCT_REG_ACCOUNT_SUMMARY table stores whether the given derivative is under economic hedge. As the bank decides if the given hedge is an economic hedge or not, it is expected that the bank must populate this column directly.

12. N_GAIN_AMT_RCY and N_LOSS_AMT_RCY used in cell IDs 020-10 and 040-10 of F45.2 report requires banks to report gain or loss on de-recognition of an asset. This computation must be populated by the bank directly into the FCT_REG_FIXED_ASSETS table.

13. FI0200R070C010, FI0200R130C010 cells from FI02; FI1101R480C010, FI1101R480C020, FI1101R480C030, FI1101R480C040, FI1101R490C010, FI1101R490C020, FI1101R490C030, FI1101R490C040 cells from FI11.01; FI1601R250C010, FI1601R250C020 cells from FI16.01 are not developed due to DM dependency on FCT_HEDGING_INSTRU_MAP.n_hedge_risk_skey which will be taken up in the next release.

Hardware/Software Tech Stack Details

The hardware/software combinations required for OFS REG REP EBA 8.0.6.0.1 are available at the OHC Tech Stack.

Licensing Information

For details on the third party software tool used, see O*FSAA Licensing Information User Manual Release 8.0.6.0.0* available in the OHC Documentation Library.

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